For Reopening of OPERATING PERMIT 950PWE039

to be issued to:

Duke Energy Field Services, LP Spindle Gas Processing Plant Weld County Source ID 1230015

Prepared by Cathy Rhodes August, 2001

I. PURPOSE:

This document establishes the basis for decisions made regarding the Applicable Requirements, Emission Factors, Monitoring Plan and Compliance Status of Emission Units covered within the Operating Permit proposed for this site. It is designed for reference during review of the proposed permit by the EPA and during Public Comment. This narrative is intended only as an adjunct for the reviewer and has no legal standing.

Any revisions made to the underlying construction permits associated with this facility in conjunction with the processing of this operating permit application have been reviewed in accordance with the requirements of Regulation No. 3, part B, Construction Permits, and have been found to meet all applicable substantive and procedural requirements. This operating permit incorporates and shall be considered to be a combined construction/operating permit for any such revision, and the permittee shall be allowed to operate under the revised conditions upon issuance of this operating permit without applying for a revision to this permit or for an additional or revised Construction Permit.

II. Source Description:

This plant is a natural gas liquids processing and gathering facility located in Section 34, T2N, R67W, ¼ mile north of Highway 52, and 3 ½ miles west of Fort Lupton. There are no affected states within 50 miles of the facility. Rocky Mountain National Park is a Federal Class I designated area located within 100 kilometers of the plant.

Prevention of Significant Deterioration:

This plant is located in an area designated as attainment for all pollutants. The facility is an existing major source for Prevention of Significant Deterioration (PSD) purposes.

III. EMISSION SOURCES:

Emission sources at the site include natural gas fired internal combustion engines, condensate tank loadout, a hot oil heater, a glycol regeneration unit, and fugitive VOC emissions from equipment component leaks.

IV. SUMMARY OF PERMIT ACTION

An operating permit was issued for the plant on May 1, 1999. The Division is reopening the permit under the provisions of Colorado Regulation No. 3, Part C to make revisions to assure compliance with the applicable requirements. The previously issued permit contained an alternative operating scenario (AOS) for engine replacement which contains language that could be inappropriately interpreted to allow a violation of the Prevention of Significant Deterioration (PSD) rules. Because of this conflict, the standard AOS language is revised to address the PSD issue. The updated language clarifies that permanent replacement of engines at a major source is not permitted without first meeting any new source review requirements.

In addition to the revisions made to the AOS, Duke requested several permit changes which qualify as administrative amendments or minor modifications. The Division is processing these additional changes concurrently with the reopening. The additional changes made are listed in Appendix G of the permit. Administrative amendments and minor modifications would not normally be eligible for the permit shield, however, since the revisions are undergoing public notice and EPA review, the permit shield will apply to all changes made to the permit.

V. PUBLIC NOTICE AND SUBSEQUENT REVISIONS

The permittee provided comments during public notice regarding the AOS language. The permittee indicated that they believe they should be able to permanently replace engines under an AOS. The Division subsequently developed AOS language to allow permanent replacement of engines for which the emission limits are below the PSD significant emission increase levels. Revisions were also made to the temporary engine replacement AOS language. This revised AOS language was incorporated into the operating permit and sent to the EPA for their 45 day review period.